



General Assembly

Amendment

February Session, 2018

LCO No. 4608



Offered by:

REP. VERRENGIA, 20th Dist.

REP. BERGER, 73rd Dist.

To: House Bill No. 5307

File No. 189

Cal. No. 148

"AN ACT CONCERNING SPORTS WAGERING IN THE STATE."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective July 1, 2018*) (a) As used in this section,
4 unless the context otherwise requires:

5 (1) "Casino gaming facility" has the same meaning as provided in
6 section 12-557b of the general statutes;

7 (2) "Commission" means the Gaming Commission established
8 pursuant to section 5 of this act;

9 (3) "Commissioner" means the Commissioner of Consumer
10 Protection;

11 (4) "Department" means the Department of Consumer Protection;

12 (5) "Mashantucket Pequot memorandum of understanding" means

13 the memorandum of understanding entered into by and between the
14 state and the Mashantucket Pequot Tribe on January 13, 1993, as
15 amended on April 30, 1993;

16 (6) "Mashantucket Pequot procedures" means the Final
17 Mashantucket Pequot Gaming Procedures prescribed by the Secretary
18 of the United States Department of the Interior pursuant to Section
19 2710(d)(7)(B)(vii) of Title 25 of the United States Code and published in
20 56 Federal Register 24996 (May 31, 1991);

21 (7) "Minor" means any person who is under twenty-one years of
22 age;

23 (8) "Mobile sports wagering platform" or "platform" means the
24 combination of hardware, software and data networks used by a
25 sports wagering operator or the Connecticut Lottery Corporation
26 established pursuant to section 12-802 of the general statutes to
27 manage, administer, offer or control sports wagering over the Internet,
28 including through an Internet web site or a mobile device;

29 (9) "Mohegan compact" means the Tribal-State Compact entered
30 into by and between the state and the Mohegan Tribe of Indians of
31 Connecticut on May 17, 1994;

32 (10) "Mohegan memorandum of understanding" means the
33 memorandum of understanding entered into by and between the state
34 and the Mohegan Tribe of Indians of Connecticut on May 17, 1994;

35 (11) "Sports bettor" means a person who is physically present in the
36 state when placing a sports wager with a sports wagering operator or
37 the Connecticut Lottery Corporation;

38 (12) "Sporting event" means (A) any sporting or athletic event at
39 which two or more persons participate and receive compensation in
40 excess of actual expenses for such participation in such sporting or
41 athletic event, or (B) any sporting or athletic event sponsored by an
42 intercollegiate athletic program of an institution of higher education.

43 "Sporting event" does not include horse racing or any sporting or
44 athletic event sponsored by a minor league or high school;

45 (13) "Sports governing body" means the organization that prescribes
46 final rules and enforces codes of conduct with respect to a sporting
47 event and participants therein;

48 (14) "Sports wagering" means placing or accepting wagers on (A) a
49 sporting event or a portion or portions of a sporting event, or (B) the
50 individual performance statistics of an athlete or athletes in a sporting
51 event or a combination of sporting events, by any system or method of
52 wagering, including, but not limited to, in-person or over the Internet
53 through an Internet web site or a mobile device. "Sports wagering"
54 does not include fantasy contests, as defined in section 12-578aa of the
55 general statutes, as amended by this act;

56 (15) "Sports wagering gross revenue" means (A) the amount equal to
57 the total amount of all wagers placed on sporting events not excluded
58 from sports wagering that a sports wagering operator collects from all
59 sports bettors, less the total amount of all sums paid out as winnings to
60 sports bettors, except that the cash equivalent value of any
61 merchandise or thing of value awarded as a prize shall not be included
62 in the sums paid out as winnings, or (B) in the case of exchange
63 wagering, the amount equal to the total amount of commissions
64 retained by an operator on winning sports wagers placed by sports
65 bettors; and

66 (16) "Sports wagering operator" or "operator" means any person or
67 business organization operating the off-track betting system or limited
68 liability company operating a casino gaming facility that offers sports
69 wagering in person to individuals at such facilities or through a mobile
70 sports wagering platform.

71 (b) The provisions of this section shall not be effective unless the
72 following conditions have been met:

73 (1) Sports wagering is offered to the extent permitted under federal

74 law.

75 (2) (A) The Governor enters into new tribal-state compacts with the
76 Mashantucket Pequot Tribe and the Mohegan Tribe of Indians of
77 Connecticut pursuant to the federal Indian Gaming Regulatory Act,
78 P.L. 100-497, 25 USC 2710(d)(3) concerning the authorization of sports
79 wagering. Any such tribal-state compact shall: (i) Allow each tribe to
80 offer sports wagering on any casino gaming facility located on Indian
81 lands, (ii) provide that the authorization of sports wagering in the state
82 does not relieve each tribe from each tribe's obligation to contribute a
83 percentage of the gross operating revenues of video facsimile games to
84 the state as provided in the Mashantucket Pequot memorandum of
85 understanding and the Mohegan memorandum of understanding, and
86 (iii) provide that the authorization of sports wagering in the state does
87 not terminate the moratoria on the operation of video facsimile games
88 by the tribes pursuant to section 15(a) of the Mashantucket Pequot
89 procedures and section 15(a) of the Mohegan compact.

90 (B) The new tribal-state compacts are approved or deemed
91 approved by the Secretary of the United States Department of the
92 Interior pursuant to the federal Indian Gaming Regulatory Act, P.L.
93 100-497, 25 USC 2701 et seq., and its implementing regulations. If such
94 approval is overturned by a court in a final judgment, which is not
95 appealable, the authorization provided under this section shall cease to
96 be effective.

97 (C) The new tribal-state compacts are approved by the General
98 Assembly pursuant to section 3-6c of the general statutes.

99 (c) (1) No person or business organization operating the off-track
100 betting system or limited liability company operating a casino gaming
101 facility may offer sports wagering unless such person, business
102 organization or limited liability company has obtained a license to
103 operate sports wagering issued by the Commissioner of Consumer
104 Protection pursuant to this subsection. Notwithstanding the provisions
105 of this subdivision, the Connecticut Lottery Corporation may offer

106 sports wagering through a mobile sports wagering platform and a
107 lottery sales agent may offer sports wagering at such agent's place of
108 business without obtaining a license to operate sports wagering.

109 (2) No person or business organization may operate sports
110 wagering or develop or operate a mobile sports wagering platform on
111 behalf of a sports wagering operator or the Connecticut Lottery
112 Corporation unless such person or business organization holds a
113 sports wagering vendor license issued by the commissioner pursuant
114 to this subsection.

115 (3) No person may commence or continue employment with a
116 sports wagering operator in a sports wagering capacity unless such
117 person holds a sports wagering employee license issued by the
118 commissioner pursuant to this subsection.

119 (4) Each applicant for a license issued pursuant to this section shall
120 submit a completed application on forms prescribed by the
121 commissioner. Such application may require the applicant to submit
122 information as to: (A) Financial standing and credit, (B) moral
123 character, (C) criminal record, if any, (D) previous employment, (E)
124 corporate, partnership or association affiliations, (F) ownership of
125 personal assets, and (G) any other information as the commissioner
126 deems pertinent to the issuance of such license. Each applicant shall
127 submit to state and national criminal history records checks, conducted
128 in accordance with section 29-17a of the general statutes, before such
129 license is issued.

130 (5) (A) Each application and renewal application for a license to
131 operate sports wagering shall be accompanied by a nonrefundable
132 application fee of one hundred thousand dollars. The biennial fee for
133 such license shall be five hundred thousand dollars.

134 (B) Each application and renewal application for a sports wagering
135 vendor license shall be accompanied by a nonrefundable application
136 fee of one hundred thousand dollars. The biennial fee for such license
137 shall be three hundred thousand dollars.

138 (C) The biennial fee for a sports wagering employee license shall be
139 eighty dollars.

140 (D) Any amounts received by the commissioner pursuant to this
141 section shall be deposited in the sports wagering account established
142 pursuant to section 2 of this act.

143 (6) The commissioner shall, as soon as practicable after the receipt of
144 a completed license application, grant or deny the license application.
145 Any license issued by the commissioner pursuant to this subsection
146 shall be effective for not more than two years from the date of
147 issuance. Applications for renewal of any such license shall be on such
148 form as prescribed by the commissioner. Any holder of a license issued
149 pursuant to this subsection who submits an application to renew such
150 license may continue to operate sports wagering, operate a mobile
151 sports wagering platform or sports wagering on behalf of a sports
152 wagering operator or the Connecticut Lottery Corporation, or be
153 employed by a sports wagering operator until the commissioner
154 denies such renewal application.

155 (7) Failure by any person or business organization or limited
156 liability company that holds a license pursuant to this subsection to
157 comply with the requirements of this section and any regulations
158 adopted pursuant to this section shall constitute grounds for the
159 commissioner: (A) To investigate any such licensee, (B) to suspend or
160 revoke such license for good cause after a hearing held in accordance
161 with the provisions of chapter 54 of the general statutes, and (C) to
162 impose a fine of not more than five thousand dollars. Any licensee
163 whose license is suspended or revoked or who is fined, or any
164 applicant aggrieved by the action of the commissioner concerning an
165 application for a license or renewal application, may appeal in
166 accordance with the provisions of said chapter.

167 (d) (1) A sports wagering operator licensed under subsection (c) of
168 this section or the Connecticut Lottery Corporation may offer sports
169 wagering through a mobile sports wagering platform to individuals

170 physically located in the state. Such operator or corporation may
171 establish its own platform or may contract with a third party for the
172 development or operation of a platform on behalf of the operator or
173 corporation provided such third party holds a vendor license issued by
174 the commissioner pursuant to subsection (c) of this section.

175 (2) At a minimum, each mobile sports wagering platform shall: (A)
176 Verify that a person with a sports wagering account is twenty-one
177 years of age or older and is located in the state; (B) establish a
178 voluntary self-exclusion process to allow a person to exclude himself
179 or herself from placing sports wagers; (C) establish a voluntary process
180 to allow a person to limit the amount of money such person may use to
181 place sports wagers; (D) provide a mechanism to prevent a person
182 who participates in the self-exclusion process from placing sports
183 wagers or who limits the amount of money such person may use to
184 place sports wagers from exceeding such limits; (E) provide parental
185 control procedures to allow a person with a sports wagering account to
186 exclude minors from access to the platform; (F) permit a person to
187 permanently close such person's sports wagering account at any time
188 and for any reason; (G) prominently display introductory procedures
189 for sports bettors on the main page of the platform that explain sports
190 wagering; (H) offer a person access to such person's sports wagering
191 account history and details; (I) provide that any money in a sports
192 wagering account belongs solely to the owner of the account and may
193 be withdrawn by the owner at any time; (J) provide a mechanism to
194 prevent the unauthorized use of sports wagering accounts and
195 maintain the security of wagering data, bettor's data and other
196 confidential information; and (K) post a conspicuous link to
197 responsible gambling information on all sports wagering account web
198 pages.

199 (3) Prior to placing wagers on a mobile sports wagering platform, a
200 sports bettor shall establish a sports wagering account in person at the
201 casino gaming facility, off-track betting facility or Connecticut Lottery
202 Corporation, as the case may be, and present at least two forms of
203 identification at the time of establishing the sports wagering account.

204 (e) Each sports wagering operator, the Connecticut Lottery
205 Corporation and a lottery sales agent offering sports wagering shall:

206 (1) Verify that a sports bettor is at least twenty-one years of age.
207 Any individual may exclude himself or herself from placing sports
208 wagers or limit the amount of money such individual may use to place
209 sports wagers with an operator, corporation or lottery sales agent, and
210 the operator, corporation or lottery sales agent that has been notified
211 by such individual of such exclusion or limit shall take reasonable
212 steps to prevent such individual from exceeding such exclusion or
213 limit;

214 (2) Use whatever available data source such operator or corporation
215 deems appropriate to determine the result of a sports wager;

216 (3) Report any suspicion of abnormal betting activity to the
217 commissioner for immediate investigation by the commissioner; and

218 (4) Maintain the security of wagering data, customer data and other
219 confidential information to prevent unauthorized access and
220 dissemination.

221 (f) (1) No individual who is a sports wagering operator or is an
222 officer, director, owner or employee of a sports wagering operator, and
223 no family member of such individual who resides in the same
224 household as such individual, shall place any wager with such
225 operator.

226 (2) No athlete, coach, referee, team owner or employee of a sports
227 governing body or such governing body's member teams, and no
228 personnel of any bargaining unit of such governing body's athletes or
229 referees, shall place any wager on any sporting event overseen by such
230 governing body. In determining which individuals are prohibited from
231 placing a wager under this subdivision, a sports wagering operator
232 and the Connecticut Lottery Corporation shall use publicly available
233 information and any lists provided by the relevant sports governing
234 body to the Department of Consumer Protection.

235 (3) No individual with access to nonpublic, confidential information
236 held by a sports wagering operator concerning a sporting event shall
237 place any wager on such sporting event with any operator.

238 (4) No individual shall place any wager pursuant to this section as
239 an agent or a proxy for another individual.

240 (5) Each sports wagering operator and the Connecticut Lottery
241 Corporation shall take reasonable steps to prevent the conduct
242 described under subdivisions (1) to (4), inclusive, of this subsection
243 and shall immediately notify the commissioner if such operator or
244 corporation believes such conduct has occurred.

245 (6) No prizes shall be paid to any individual who is restricted from
246 placing wagers on sporting events pursuant to this subsection.

247 (g) A tax is imposed on sports wagering gross revenue earned by a
248 sports wagering operator at the rate of nine and three-quarters per
249 cent. The commissioner shall assess and collect such tax as the
250 commissioner may prescribe by regulations adopted in accordance
251 with the provisions of chapter 54 of the general statutes. Such tax shall
252 be due and payable each Tuesday of the week. If any such tax is not
253 paid when due, the commissioner shall impose a delinquency
254 assessment upon the sports wagering operator in the amount of ten
255 per cent of such tax or ten dollars, whichever amount is greater, plus
256 interest at the rate of one and one-half per cent of the unpaid principal
257 of such tax for each month or fraction of a month from the date such
258 tax is due to the date of payment. Subject to the provisions of section
259 12-3a of the general statutes, the commissioner may waive all or part of
260 the penalties provided under this subsection when it is proven to the
261 commissioner's satisfaction that the failure to pay such tax within the
262 time required was due to reasonable cause and was not intentional or
263 due to neglect. Failure to pay any such delinquent tax upon demand
264 may be considered by the commissioner as cause for revocation of a
265 license to operate sports wagering. Any amounts paid pursuant to this
266 subsection shall be deposited in the sports wagering account

267 established pursuant to section 2 of this act.

268 (h) The amount of unclaimed moneys, as determined by the
269 commissioner, held by a sports wagering operator on account of
270 outstanding and uncashed winning sports wagering tickets, shall be
271 due and payable to the commissioner, for deposit in the sports
272 wagering account established pursuant to section 2 of this act, at the
273 expiration of one year after the date of the sporting event during which
274 such tickets were issued. If any such unclaimed moneys are not paid
275 when due, the commissioner shall impose a delinquency assessment
276 upon the sports wagering operator in the amount of ten per cent of
277 such money or ten dollars, whichever amount is greater, plus interest
278 at the rate of one and one-half per cent of the unpaid principal of such
279 moneys for each month or fraction of a month from the date such
280 moneys are due to the date of payment. Subject to the provisions of
281 section 12-3a of the general statutes, the commissioner may waive all
282 or part of the penalties provided under this subsection when it is
283 proven to the commissioner's satisfaction that the failure to pay such
284 moneys within the time required was due to reasonable cause and was
285 not intentional or due to neglect.

286 (i) The commissioner may authorize deputies to enter upon the
287 premises of a sports wagering operator, the Connecticut Lottery
288 Corporation or a lottery sales agent's place of business for the purposes
289 of inspecting books and records, supervising and examining cashiers,
290 ticket sellers and other persons handling money on behalf of such
291 operator, corporation or agent.

292 (j) The commissioner may restrict, limit or exclude wagering on a
293 sporting event or events by providing notice in such form and manner
294 as the commissioner prescribes to sports wagering operators and the
295 Connecticut Lottery Corporation.

296 (k) (1) Each sports wagering operator, the Connecticut Lottery
297 Corporation and any lottery sales agent that offers sports wagering
298 shall immediately report to the commissioner any information relating

299 to (A) criminal or disciplinary proceedings commenced against such
300 operator, corporation or agent or an employee of such operator,
301 corporation or agent in connection with its operations, (B) abnormal
302 betting activity or patterns that may indicate a concern with the
303 integrity of a sporting event, (C) any potential breach of the relevant
304 sports governing body's internal rules or codes of conduct pertaining
305 to sports wagering, (D) any other conduct that corrupts the betting
306 outcome of a sporting event for purposes of financial gain, including
307 match-fixing, and (E) suspicious or illegal wagering activities,
308 including the use of funds derived from illegal activity to place a
309 wager, the placing of a wager to conceal funds derived from illegal
310 activity, the use of an agent or a proxy to place a wager or the use of
311 false identification to place a wager.

312 (2) Such operator, corporation or agent shall also immediately
313 report to the relevant sports governing body any information relating
314 to conduct described under subparagraphs (B) to (D), inclusive, of
315 subdivision (1) of this subsection.

316 (l) If the commissioner finds, after a hearing conducted pursuant to
317 chapter 54 of the general statutes, that any individual or entity
318 knowingly violates any provision of this section or any regulation
319 adopted pursuant to subsection (m) of this section, the commissioner
320 shall assess such individual or entity a civil penalty of not more than
321 five thousand dollars for each violation, not to exceed fifty thousand
322 dollars for multiple violations arising out of the same transaction or
323 occurrence.

324 (m) The commissioner, in consultation with the commission, shall
325 adopt regulations, in accordance with the provisions of chapter 54 of
326 the general statutes, to implement the provisions of this section. Such
327 regulations shall include provisions to protect the public interest in the
328 integrity of sports wagering and reduce the dangers of unsuitable,
329 unfair or illegal practices, methods and activities in the conduct of
330 sports wagering. Such regulations shall include, but need not be
331 limited to, provisions regarding: (1) The types of sports wagers that

332 may be placed or accepted; (2) the minimum amount of cash reserves
333 to be maintained by sports wagering operators; (3) the acceptance of
334 wagers on a series of sports events; (4) the maximum wagers which
335 may be accepted by an operator or the Connecticut Lottery
336 Corporation from any one sports bettor on any one sports event; (5)
337 the type of wagering tickets which shall be used; (6) the method of
338 issuing tickets; (7) minimum accounting standards for a sports
339 wagering operator or the corporation; (8) the types of records which
340 shall be maintained by a sports wagering operator or the corporation
341 and available for inspection upon the request of the commissioner; (9)
342 requirements for information and reports from a sports wagering
343 operator and the corporation to enable effective auditing of sports
344 wagering operations; (10) requirements for establishing and funding a
345 sports wagering account; (11) minimum qualifications for a provider of
346 sporting events data; and (12) requirements for any advertisement for
347 sports betting to ensure such advertisement (A) does not target minors,
348 problem gamblers or other vulnerable individuals, (B) includes
349 information about or Internet web site links to resources related to
350 gambling addiction, and (C) is not false, misleading or deceptive to a
351 reasonable consumer.

352 Sec. 2. (NEW) (*Effective from passage*) There is established an account
353 to be known as the "sports wagering account" which shall be a
354 separate, nonlapsing account within the General Fund. The account
355 shall contain any moneys required by law to be deposited in the
356 account. Moneys in the account shall be expended by the Secretary of
357 the Office of Policy and Management for the purposes of
358 compensating the Department of Consumer Protection for the
359 reasonable and necessary costs incurred by the department for the
360 regulatory activities specified in section 1 of this act. On and after the
361 first full fiscal year that the secretary finds money has been deposited
362 in the sports wagering account, the secretary shall contribute one-half
363 of one per cent of the moneys deposited in the account during the
364 previous fiscal year to the Connecticut Prevention Network. At the end
365 of each fiscal year, the secretary shall transfer any money in excess of

366 such reasonable and necessary costs and such contribution to the
367 General Fund.

368 Sec. 3. Section 12-577 of the 2018 supplement to the general statutes
369 is repealed and the following is substituted in lieu thereof (*Effective*
370 *from passage*):

371 The commissioner shall annually cause to be made by some
372 competent person or persons in the department a thorough audit of
373 the books and records of each association licensee under this chapter,
374 [and] each casino gaming and each licensed sports wagering operator,
375 as defined in subsection (a) of section 1 of this act, and the
376 commissioner may, from time to time, cause to be made by some
377 competent person in the department a thorough audit of the books and
378 records of any other person or business organization licensed under
379 this chapter. All such audit records shall be kept on file in the
380 commissioner's office at all times. Each licensee and casino gaming
381 facility shall permit access to its books and records for the purpose of
382 having such audit made, and shall produce, upon written order of the
383 commissioner, any documents and information required for such
384 purpose.

385 Sec. 4. Subdivision (15) of subsection (b) of section 12-806 of the
386 general statutes is repealed and the following is substituted in lieu
387 thereof (*Effective from passage*):

388 (15) To determine the commissions payable to lottery sales agents,
389 provided any agent's commission shall not average less than [four]
390 seven per cent of such agent's lottery sales;

391 Sec. 5. (NEW) (*Effective July 1, 2018*) There is established a Gaming
392 Commission composed of the Commissioner of Consumer Protection
393 and two commissioners appointed by the Governor in accordance with
394 section 4-9a of the general statutes. The Commissioner of Consumer
395 Protection shall be the chairperson of the commission. The Governor
396 shall fill any vacancy for the unexpired portion of the term. Not more
397 than two commissioners shall be of the same political party. Each

398 commissioner shall take the oath prescribed for executive officers. The
399 Governor may remove any commissioner as provided in section 4-12
400 of the general statutes. The Gaming Commission shall be responsible
401 for the implementation and administration of the provisions of
402 sections 7-169 to 7-189, inclusive, of the general statutes, section 1 of
403 this act, and chapters 226, 226b, and 229a of the general statutes.

404 Sec. 6. Section 21a-6 of the general statutes is repealed and the
405 following is substituted in lieu thereof (*Effective July 1, 2018*):

406 The following boards shall be within the Department of Consumer
407 Protection:

408 (1) The Architectural Licensing Board established under chapter
409 390;

410 (2) Repealed by P.A. 93-151, S. 3, 4;

411 (3) The examining boards for electrical work; plumbing and piping
412 work; heating, piping, cooling and sheet metal work; elevator
413 installation, repair and maintenance work; fire protection sprinkler
414 systems work and automotive glass work and flat glass work,
415 established under chapter 393;

416 (4) Repealed by P.A. 99-73, S. 10;

417 (5) The Commission of Pharmacy established under chapter 400j;

418 (6) The State Board of Landscape Architects established under
419 chapter 396;

420 (7) Deleted by P.A. 98-229;

421 (8) The State Board of Examiners for Professional Engineers and
422 Land Surveyors established under chapter 391;

423 (9) Repealed by P.A. 80-484, S. 175, 176;

424 (10) The Connecticut Real Estate Commission established under

425 chapter 392;

426 (11) The Connecticut Real Estate Appraisal Commission established
427 under chapter 400g;

428 (12) The State Board of Examiners of Shorthand Reporters
429 established under chapter 400l;

430 (13) The Liquor Control Commission established under chapter 545;

431 (14) Repealed by P.A. 06-187, S. 99;

432 (15) The Home Inspection Licensing Board established under
433 section 20-490a; [and]

434 (16) The State Board of Accountancy established under section 20-
435 280; and

436 (17) The Gaming Commission established under section 5 of this act.

437 Sec. 7. Subsection (c) of section 12-812 of the general statutes is
438 repealed and the following is substituted in lieu thereof (*Effective July*
439 *1, 2018*):

440 (c) On a weekly basis, the president shall estimate, and certify to the
441 State Treasurer, that portion of the balance in the lottery fund which
442 exceeds the current needs of the corporation for the payment of prizes,
443 the payment of current operating expenses and funding of approved
444 reserves of the corporation [. The] and that portion of the balance that
445 is attributable to the proceeds of sports wagering, as defined in
446 subsection (a) of section 1 of this act. Upon notification of receipt of
447 such certification by the Treasurer, the corporation shall transfer the
448 amount so certified from the lottery fund of the corporation to the
449 General Fund, [upon notification of receipt of such certification by the
450 Treasurer] except that the corporation shall transfer the amount
451 attributable to the proceeds of sports wagering to the sports wagering
452 account established pursuant to section 2 of this act.

453 Sec. 8. Subdivision (2) of section 53-278a of the 2018 supplement to
454 the general statutes is repealed and the following is substituted in lieu
455 thereof (*Effective from passage*):

456 (2) "Gambling" means risking any money, credit, deposit or other
457 thing of value for gain contingent in whole or in part upon lot, chance
458 or the operation of a gambling device, including the playing of a casino
459 gambling game such as blackjack, poker, craps, roulette or a slot
460 machine, but does not include: Legal contests of skill, speed, strength
461 or endurance in which awards are made only to entrants or the owners
462 of entries; legal business transactions which are valid under the law of
463 contracts; activity legal under the provisions of sections 7-169 to 7-186,
464 inclusive; any lottery or contest conducted by or under the authority of
465 any state of the United States, Commonwealth of Puerto Rico or any
466 possession or territory of the United States; and other acts or
467 transactions expressly authorized by law on or after October 1, 1973.
468 Fantasy contests, as defined in section 12-578aa, as amended by this
469 act, shall not be considered gambling, provided the conditions set forth
470 in subsection (b) of section 12-578aa, as amended by this act, have been
471 met and the operator of such contests is registered pursuant to
472 subdivision (1) of subsection (d) of section 12-578aa, as amended by
473 this act. Sports wagering, as defined in subsection (a) of section 1 of
474 this act, shall not be considered gambling, provided the conditions set
475 forth in subsection (b) of section 1 of this act have been met and the
476 sports wagering operator is licensed pursuant to subsection (c) of
477 section 1 of this act, the Connecticut Lottery Corporation or a lottery
478 sales agent;

479 Sec. 9. Subdivision (4) of section 53-278a of the 2018 supplement to
480 the general statutes is repealed and the following is substituted in lieu
481 thereof (*Effective from passage*):

482 (4) "Gambling device" means any device or mechanism by the
483 operation of which a right to money, credits, deposits or other things
484 of value may be created, as the result of the operation of an element of
485 chance; any device or mechanism which, when operated for a

486 consideration, does not return the same value or thing of value for the
487 same consideration upon each operation thereof; any device,
488 mechanism, furniture or fixture designed primarily for use in
489 connection with professional gambling; and any subassembly or
490 essential part designed or intended for use in connection with any
491 such device, mechanism, furniture, fixture, construction or installation,
492 provided an immediate and unrecorded right of replay mechanically
493 conferred on players of pinball machines and similar amusement
494 devices shall be presumed to be without value. "Gambling device"
495 does not include a crane game machine or device or a redemption
496 machine. A device or equipment used to play fantasy contests, as
497 defined in section 12-578aa, as amended by this act, or participate in
498 sports wagering, as defined in subsection (a) of section 1 of this act,
499 shall not be considered a gambling device, provided the conditions set
500 forth in subsection (b) of section 12-578aa, as amended by this act, have
501 been met and in subsection (b) of section 1 of this act have been met,
502 respectively;

503 Sec. 10. Section 12-561 of the 2018 supplement to the general statutes
504 is repealed and the following is substituted in lieu thereof (*Effective*
505 *from passage*):

506 No commissioner or unit head or employee of the department or the
507 Gaming Commission, established pursuant to section 5 of this act, shall
508 directly or indirectly, individually or as a member of a partnership or
509 as a shareholder of a corporation, have any interest whatsoever in
510 dealing in any lottery, racing, fronton, betting enterprise or casino
511 gaming facility or in the ownership or leasing of any property or
512 premises used by or for any lottery, racing, fronton, betting enterprise
513 or casino gaming facility. No commissioner or unit head shall, directly
514 or indirectly, wager at any off-track betting facility, race track or
515 fronton authorized under this chapter, purchase lottery tickets issued
516 under this chapter, [or] play, directly or indirectly, any authorized
517 game conducted at a casino gaming facility or place a sports wager
518 with a sports wagering operator, the Connecticut Lottery Corporation
519 or a lottery sales agent authorized under section 1 of this act. The

520 commissioner may adopt regulations in accordance with the
521 provisions of chapter 54 to prohibit any employee of the department
522 from engaging, directly or indirectly, in any form of legalized
523 gambling activity in which such employee is involved because of his or
524 her employment with the department. For purposes of this section,
525 "unit head" means a managerial employee with direct oversight of a
526 legalized gambling activity.

527 Sec. 11. Section 12-563a of the 2018 supplement to the general
528 statutes is repealed and the following is substituted in lieu thereof
529 (*Effective from passage*):

530 The Commissioner of Consumer Protection shall, within available
531 resources, prepare and distribute informational materials designed to
532 inform the public of the programs available for the prevention,
533 treatment and rehabilitation of compulsive gamblers in this state. The
534 commissioner shall require any casino gaming facility and any person
535 or business organization which is licensed to sell lottery tickets,
536 operate an off-track betting system or conduct wagering on racing
537 events, [or] jai alai games or sporting events, as defined in subsection
538 (a) section 1 of this act, to display such informational materials at the
539 casino gaming facility and each licensed premise, respectively.

540 Sec. 12. (*Effective from passage*) (a) Not later than ninety days after the
541 effective date of this section, the Commissioner of Consumer
542 Protection shall develop and issue a request for proposals for
543 professional services to recommend a strategic plan to expand and
544 ensure the integrity of gambling in the state. The professional service
545 provider shall have expertise in issues related to gambling, the
546 expansion of gambling and the regulatory oversight of entities
547 authorized to conduct gambling.

548 (b) At a minimum, the strategic plan shall:

549 (1) Analyze the economic impacts of all legal and current forms of
550 gambling in the state, including, but not limited to, gambling at casino
551 gaming facilities, and gambling facilitated by the Connecticut Lottery

552 Corporation and off-track betting facilities;

553 (2) Contain a fiscal analysis to determine the impact of expanding
554 gambling in the state (A) by amending the procedures, compact and
555 agreements entered into by and between the state and the
556 Mashantucket Pequot Tribe and the state and the Mohegan Tribe of
557 Indians of Connecticut, and (B) without amending such procedures,
558 compact and agreements;

559 (3) Identify the various approaches to expanding gambling in the
560 state and analyze the economic impact and the fiscal and legal
561 consequences if the state authorizes (A) any person, business entity or
562 Indian tribe to operate one or more commercial casino gaming facilities
563 within the state, (B) the Connecticut Lottery Corporation to sell tickets
564 for lottery draw games online and accept payment through the use of a
565 credit card, (C) the Connecticut Lottery Corporation, off-track betting
566 facilities, the Mashantucket Pequot Tribe or the Mohegan Tribe of
567 Indians of Connecticut, or any combination thereof, to conduct
568 wagering on sporting events to the extent permitted by federal law,
569 and (D) the operation of fantasy contests in the state without amending
570 such procedures, compact and agreements; and

571 (4) Recommend a strategic plan that (A) implements the expansion
572 of gambling in the state, (B) strengthens the regulatory oversight of
573 entities authorized to conduct gambling in the state, (C) provides for
574 the taxation of such expansion, and (D) includes best practices to
575 protect the public interest in the integrity of gambling operations and
576 reduce the dangers of unsuitable, unfair or illegal practices, methods
577 and activities in such operations.

578 (c) The commissioner shall, in accordance with the provisions of
579 section 11-4a of the general statutes, submit the following to the joint
580 standing committee of the General Assembly having cognizance of
581 matters relating to public safety and security: (1) An interim report that
582 identifies the scope of the strategic plan and makes preliminary
583 findings not later than February 1, 2019, and (2) the final strategic plan

584 not later than July 1, 2019.

585 (d) The Commissioner of Consumer Protection and the board of
586 directors of the Connecticut Lottery Corporation shall provide any
587 information and data needed by the professional service provider to
588 complete the strategic plan, provided the information and data does
589 not disclose the identity of any individual.

590 Sec. 13. Subsection (b) of section 12-564 of the general statutes is
591 repealed and the following is substituted in lieu thereof (*Effective from*
592 *passage*):

593 (b) The commissioner shall conduct studies concerning the effect of
594 legalized gambling on the citizens of this state including, but not
595 limited to, studies to determine the types of gambling activity engaged
596 in by the public and the desirability of expanding, maintaining or
597 reducing the amount of legalized gambling permitted in this state.
598 Such studies shall be conducted as often as the commissioner deems
599 necessary, except that no studies shall be conducted before the fiscal
600 year ending June 30, [2009] 2028, and thereafter studies shall be
601 conducted at least once every ten years. The commissioner shall
602 submit the findings of such studies and the costs of conducting such
603 studies to the joint standing [committees] committee of the General
604 Assembly having cognizance of matters relating to [legalized gambling
605 shall each receive a report concerning each study carried out, stating
606 the findings of the study and the costs of conducting the study] public
607 safety and security, in accordance with the provisions of section 11-4a.

608 Sec. 14. Section 12-810 of the general statutes is repealed and the
609 following is substituted in lieu thereof (*Effective from passage*):

610 (a) The Freedom of Information Act, as defined in section 1-200,
611 shall apply to all actions, meetings and records of the corporation,
612 except (1) where otherwise limited by subsection (c) of this section as
613 to new lottery games and serial numbers of unclaimed lottery tickets,
614 [and] (2) with respect to financial, credit and proprietary information
615 submitted by any person to the corporation in connection with any

616 proposal to provide goods, services or professional advice to the
617 corporation as provided in section 12-815, and (3) where otherwise
618 limited by subsection (d) of this section as to information submitted by
619 any person to the corporation regarding such person's participation in
620 the corporation's sports wagering voluntary self-exclusion process
621 established pursuant to subdivision (2) of subsection (d) of section 1 of
622 this act or subdivision (1) of subsection (e) of section 1 of this act.

623 (b) The records of proceedings as provided in subsection (a) of
624 section 12-805 shall be subject to disclosure pursuant to the provisions
625 of subsection (a) of section 1-210.

626 (c) Any new lottery game and the procedures for such game, until
627 the game is publicly announced by the corporation, and any serial
628 number of an unclaimed lottery ticket shall not be deemed public
629 records, as defined in section 1-200, and shall not be available to the
630 public under the provisions of section 1-210. The president shall
631 submit a fiscal note prepared by the corporation with respect to the
632 procedures for a new lottery game to the joint standing committees of
633 the General Assembly having cognizance of matters relating to finance,
634 revenue, bonding and public safety after approval of such game by the
635 board.

636 (d) The name and any personally identifying information of a
637 person who is participating or participated in the corporation's sports
638 wagering voluntary self-exclusion process established pursuant to
639 subdivision (2) of subsection (e) of section 1 of this act or subdivision
640 (1) of subsection (e) of section 1 of this act shall not be deemed public
641 records, as defined in section 1-200, and shall not be available to the
642 public under the provisions of section 1-210. The president may
643 disclose the name and any records of such person if such person claims
644 a winning from placing a sports wager.

645 Sec. 15. Subdivision (1) of subsection (a) of section 12-578f of the
646 2018 supplement to the general statutes is repealed and the following
647 is substituted in lieu thereof (*Effective from passage*):

648 (1) "Authorized games" means any game of chance, including, but
649 not limited to, blackjack, poker, dice, money-wheels, roulette, baccarat,
650 chuck-a-luck, pan game, over and under, horse race game, acey-deucey,
651 beat the dealer, bouncing ball, video facsimile game and any other
652 game of chance authorized by the Commissioner of Consumer
653 Protection. "Authorized games" does not include sports wagering, as
654 defined in subsection (a) of section 1 of this act;

655 Sec. 16. Subsection (b) of section 12-802 of the general statutes is
656 repealed and the following is substituted in lieu thereof (*Effective July*
657 *1, 2018*):

658 (b) (1) [The] On and after July 1, 2018, the corporation shall be
659 governed by a board of [thirteen] eleven directors. The Governor, with
660 the advice and consent of the General Assembly, shall appoint [five]
661 three directors who have skill, knowledge and experience in the fields
662 of management, finance or operations in the private sector. Each
663 director appointed by the Governor shall serve at the pleasure of the
664 Governor, but no longer than the term of office of the Governor or
665 until the director's successor is appointed and qualified, whichever
666 term is longer. The Governor shall fill any vacancy for the unexpired
667 term of a director appointed by the Governor. Two directors shall be
668 the State Treasurer and the Secretary of the Office of Policy and
669 Management, both of whom shall serve ex officio and shall have all of
670 the powers and privileges of a member of the board of directors. Each
671 ex-officio director may designate his or her deputy or any member of
672 his or her staff to represent him or her at meetings of the corporation
673 with full power to act and vote on his or her behalf. [Each director
674 appointed by the Governor shall serve at the pleasure of the Governor,
675 but no longer than the term of office of the Governor or until the
676 director's successor is appointed and qualified, whichever term is
677 longer. The Governor shall fill any vacancy for the unexpired term of a
678 director appointed by the Governor. The procedures of section 4-7
679 shall apply to the confirmation of the Governor's appointments by
680 both houses of the General Assembly.]

681 (2) Six directors shall be appointed, with the advice and consent of
682 the General Assembly, as follows: (A) One director who shall have
683 expertise in the field of corporate law appointed by the president pro
684 tempore of the Senate, (B) one director who shall have expertise in the
685 field of accounting appointed by the majority leader of the Senate, (C)
686 one director who shall have expertise in the field of corporate law
687 appointed by the minority leader of the Senate, (D) one director who
688 shall have expertise in the field of gaming compliance appointed by
689 the speaker of the House of Representatives, (E) one director who shall
690 have expertise in the field of gaming compliance appointed by the
691 majority leader of the House of Representatives, and (F) one director
692 who shall have expertise in the field of accounting appointed by the
693 minority leader of the House of Representatives. Each director
694 appointed by a member of the General Assembly shall serve in
695 accordance with the provisions of section 4-1a. The appropriate
696 legislative appointing authority shall fill any vacancy for the unexpired
697 term of a director appointed by such authority.

698 (3) Any appointed director shall be eligible for reappointment. The
699 Commissioner of Consumer Protection shall not serve as a director.
700 Any director may be removed by order of the Superior Court upon
701 application of the Attorney General for misfeasance, malfeasance or
702 wilful neglect of duty. Such actions shall be tried to the court without a
703 jury and shall be privileged in assignment for hearing. If the court,
704 after hearing, finds there is clear and convincing evidence of such
705 misfeasance, malfeasance or wilful neglect of duty it shall order the
706 removal of such director. Any director so removed shall not be
707 reappointed to the board.

708 Sec. 17. (*Effective from passage*) (a) For the fiscal year ending June 30,
709 2018, the Connecticut Lottery Corporation, created under section 12-
710 802 of the general statutes, shall reduce its expenses for such fiscal year
711 by one million seven thousand dollars from the amount of its expenses
712 in the fiscal year ending June 30, 2017.

713 (b) Notwithstanding subdivision (10) of subsection (b) of section 12-

714 806 of the general statutes, the corporation shall pay one million seven
715 thousand dollars to the Office of Policy and Management which shall
716 be disbursed to the Department of Consumer Protection for the initial
717 costs incurred to regulate sports wagering as defined in subsection (a)
718 of section 1 of this act and for the costs of the strategic plan conducted
719 pursuant to section 12 of this act.

720 Sec. 18. Subsection (b) of section 12-578aa of the 2018 supplement to
721 the general statutes is repealed and the following is substituted in lieu
722 thereof (*Effective July 1, 2018*):

723 (b) The provisions of this section shall not be effective unless the
724 following conditions have been met:

725 (1) The Governor enters into [amendments to the Mashantucket
726 Pequot procedures and to the Mashantucket Pequot memorandum of
727 understanding with the Mashantucket Pequot Tribe and amendments
728 to the Mohegan compact and to the Mohegan memorandum of
729 understanding with the Mohegan Tribe of Indians of Connecticut
730 concerning the authorization of fantasy contests in the state] new
731 tribal-state compacts with the Mashantucket Pequot Tribe and the
732 Mohegan Tribe of Indians of Connecticut pursuant to the federal
733 Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2710(d)(3)
734 concerning the authorization of fantasy contests. Any such tribal-state
735 compact shall: (i) Allow each tribe to offer fantasy contests on any
736 casino gaming facility located on Indian lands, (ii) provide that the
737 authorization of fantasy contests does not relieve each tribe from each
738 tribe's obligation to contribute a percentage of the gross operating
739 revenues of video facsimile games to the state as provided in the
740 Mashantucket Pequot memorandum of understanding and the
741 Mohegan memorandum of understanding, and (iii) provide that the
742 authorization of fantasy contests in the state does not terminate the
743 moratoria on the operation of video facsimile games by the tribes
744 pursuant to section 15(a) of the Mashantucket Pequot procedures and
745 section 15(a) of the Mohegan compact.

746 [(2) The amendments to the Mashantucket Pequot procedures and
747 the Mohegan compact shall include a provision that the authorization
748 of fantasy contests in the state does not terminate the moratorium
749 against the operation of video facsimile games by the Mashantucket
750 Pequot Tribe and Mohegan Tribe of Indians of Connecticut on each
751 tribe's reservation.

752 (3) The amendments to each tribe's memorandum of understanding
753 shall include a provision that the authorization of fantasy contests in
754 the state does not relieve each tribe from each tribe's obligation to
755 contribute a percentage of the gross operating revenues of video
756 facsimile games to the state as provided in each tribe's memorandum
757 of understanding.]

758 [(4)] (2) The [amendments to the Mashantucket Pequot procedures,
759 the Mashantucket Pequot memorandum of understanding, the
760 Mohegan compact and the Mohegan memorandum of understanding]
761 new tribal-state compacts are approved or deemed approved by the
762 Secretary of the United States Department of the Interior pursuant to
763 the federal Indian Gaming Regulatory Act, P.L. 100-497, 25 USC 2701
764 et seq., and its implementing regulations. If such approval is
765 overturned by a court in a final judgment, which is not appealable, the
766 authorization provided under this section shall cease to be effective.

767 [(5)] (3) The [amendments to the Mashantucket Pequot procedures
768 and to the Mohegan compact] new tribal-state compacts are approved
769 by the General Assembly pursuant to section 3-6c.

770 [(6) The amendments to the Mashantucket Pequot memorandum of
771 understanding and to the Mohegan memorandum of understanding
772 are approved by the General Assembly pursuant to the process
773 described in section 3-6c.]

774 Sec. 19. Section 12-565a of the 2018 supplement to the general
775 statutes is repealed. (*Effective from passage*)"

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	12-577
Sec. 4	<i>from passage</i>	12-806(b)(15)
Sec. 5	<i>July 1, 2018</i>	New section
Sec. 6	<i>July 1, 2018</i>	21a-6
Sec. 7	<i>July 1, 2018</i>	12-812(c)
Sec. 8	<i>from passage</i>	53-278a(2)
Sec. 9	<i>from passage</i>	53-278a(4)
Sec. 10	<i>from passage</i>	12-561
Sec. 11	<i>from passage</i>	12-563a
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	12-564(b)
Sec. 14	<i>from passage</i>	12-810
Sec. 15	<i>from passage</i>	12-578f(a)(1)
Sec. 16	<i>July 1, 2018</i>	12-802(b)
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>July 1, 2018</i>	12-578aa(b)
Sec. 19	<i>from passage</i>	Repealer section